HOUSE BILL No. 1346

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-1.1.

Synopsis: Deferred compensation plans. Allows a political subdivision to offer to its employees both the state employees' deferred compensation plan and a deferred compensation plan that is adopted by the political subdivision and uses one or more private vendors. (The introduced version of this bill was prepared by the pension management oversight commission.)

Effective: July 1, 2005.

Buell, Kromkowski, Ayres

January 13, 2005, read first time and referred to Committee on Employment and Labor.





First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

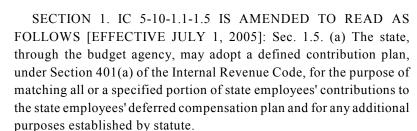
Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

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HOUSE BILL No. 1346

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:



- (b) The deferred compensation committee shall be the trustee of a plan established under subsection (a) as described in section 4 of this chapter. A plan established under subsection (a) shall be administered by the auditor of state as described in section 5 of this chapter.
- (c) The deferred compensation committee may approve funding offerings for a plan established under subsection (a), which may be the same as offerings for the state employees' deferred compensation plan. All funds in each plan shall be separately accounted for but may be commingled for investment purposes.
 - (d) Contributions to a plan established under subsection (a) are



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1	limited to the amount of biennial appropriations the budget agency
2	determines are available for any such purposes. The deferred
3	compensation committee may use funds available under the plan to hire
4	or contract with qualified attorneys, financial advisers, or other
5	professional or administrative persons that the committee believes are
6	necessary or useful in the administration of the plan.
7	(e) A plan established under subsection (a) must include appropriate
8	provisions concerning the plan's day to day operation and any other
9	provisions that are appropriate. Notwithstanding IC 22-2-6-2, the plan
10	may also include provisions for the use of automated voice response
11	units and telephonic communications, online activities, and other
12	technology for participant elections, directions, and services if the
13	technology has sufficient capacity to record and store the elections and
14	directions.
15	(f) The state is obligated at any particular time only for the current
16	market value of the funding previously made to a plan established
17	under subsection (a).
18	(g) The state board of finance shall extend the plan established
19	under subsection (a) to any political subdivision that also elects to use
20	the state employees' deferred compensation plan for its employees as
21	authorized in section $7(b)(2)$ or $7(b)(3)$ of this chapter.
22	SECTION 2. IC 5-10-1.1-4 IS AMENDED TO READ AS
23	FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The deferred
24	compensation committee is established. The committee consists of five
25	(5) persons appointed by the state board of finance as follows:
26	(1) Each member of the state board of finance shall appoint one
27	(1) member to the committee.
28	(2) The remaining two (2) members:
29	(A) must be participants in the state employees' deferred
30	compensation plan;
31	(B) may not be employees of the members of the state board
32	of finance;
33	(C) must be from different political parties; and
34	(D) may not serve for more than two (2) consecutive three (3)
35	year terms.
36	(b) The deferred compensation committee may annually elect a
37	chairperson and a secretary.
38	(c) The deferred compensation committee may approve proposed
39	investment products for the state employees' deferred compensation
40	plan.
41	(d) All amounts deferred under the state employees' deferred

compensation plan must be put into a trust for the exclusive benefit of



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(c) This section does not limit the power or authority of any political
subdivision to establish and administer other plans deemed appropriate
by the governing bodies of such subdivisions, including plans
established under section 1(2) of this chapter.
SECTION 4. IC 5-10-1.1-7.3 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.3. (a) Any political

SECTION 4. IC 5-10-1.1-7.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.3. (a) Any political subdivision (as defined in IC 36-1-2-13) that elects to use the state employees' deferred compensation plan for its employees as authorized in section 7(b)(2) or 7(b)(3) of this chapter also may elect to participate in the state's defined contribution plan established by section 1.5 of this chapter for the purpose of matching all or a specified portion of the political subdivision's employees' contributions to the deferred compensation plan.

- (b) Participation in the state's defined contribution plan described in subsection (a) shall be authorized by the governing body of the political subdivision, which in the case of a unit subject to IC 36-1-3 shall be done by ordinance.
- (c) Contributions by a political subdivision to the state's defined contribution plan described in subsection (a) for the purpose of matching all or a specified portion of employee contributions are limited to the amount of appropriations made each year for that purpose.
- (d) The political subdivision is obligated at any particular time only for the current market value of the funding previously made to the state's defined contribution plan described in subsection (a).
- (e) This section does not limit the power or authority of any political subdivision to establish and administer any other plans considered appropriate by the governing body of the political subdivision, including plans established under section 1(2) of this chapter.









